

### § 650.3

### 20 CFR Ch. V (4-1-03 Edition)

(c) Section 303(b)(2) of the Social Security Act provides that:

Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that in the administration of the law there is—

(1) \* \* \*

(2) A failure to comply substantially with any provision specified in subsection (a) [303(a)]; the Secretary of Labor shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such denial or failure to comply. Until the Secretary of Labor is so satisfied, he shall make no further certification to the Secretary of the Treasury with respect to such State \* \* \*

#### § 650.3 Secretary's interpretation of Federal law requirements.

(a) The Secretary interprets sections 303(a)(1) and 303(a)(3) above to require that a State law include provision for—

(1) Hearing and decision for claimants who are parties to an appeal from a benefit determination to an administrative tribunal with the greatest promptness that is administratively feasible, and

(2) Such methods of administration of the appeals process as will reasonably assure hearing and decision with the greatest promptness that is administratively feasible.

(b) The Secretary interprets section 303(b)(2) above to require a State to comply substantially with provisions specified in paragraph (a) of this section.

#### § 650.4 Review of State law and criteria for review of State compliance.

(a) A State law will satisfy the requirements of § 650.3(a) if after calendar year 1973 it contains a provision requiring, or is construed to require, hearing and decision for claimants who are parties to an administrative appeal affecting benefit rights with the greatest promptness that is administratively feasible.

(b) A State will be deemed to comply substantially with the State law requirements set forth in § 650.3(a) with respect to first level appeals, if for the calendar year 1975 and ensuing years, the State has issued at least 60 percent of all first level benefit appeal decisions within 30 days of the date of ap-

peal, and at least 80 percent of all first level benefit appeal decisions within 45 days. These computations will be derived from the State's regular reports required pursuant to the Employment Security Manual, part III, sections 4400-4450.<sup>1</sup>

(c) To afford the States a reasonable opportunity to make the changes necessary to meet these criteria, the Secretary will not evaluate substantial compliance until calendar year 1974 and for that year he will apply less stringent criteria than for future years. A State law will be deemed to comply substantially with the State law promptness requirement for calendar year 1974 if the State has issued at least 50 percent of all first level benefit appeal decisions within 30 days of the date of appeal; at least 75 percent of its first level benefit appeal decisions within 45 days; and at least 90 percent of its first level benefit appeal decisions within 75 days. These computations also will be derived from the aforementioned reports required pursuant to the Employment Security Manual.

[37 FR 16173, Aug. 11, 1972, as amended at 41 FR 6757, Feb. 13, 1976]

#### § 650.5 Annual appeals performance plan.

No later than December 15, 1974, and the 15th of December of each ensuing year, each State shall submit an appeals performance plan showing how it will operate during the following calendar year so as to achieve or maintain the issuance of at least 60 percent of all first level benefit appeals decisions within 30 days of the date of appeal, and 80 percent within 45 days.

(Approved by the Office of Management and Budget under control number 1205-0132)

(Pub. L. No. 96-511)

[41 FR 6757, Feb. 13, 1976, as amended at 49 FR 18295, Apr. 30, 1984]

<sup>1</sup>The Employment Security Manual is available at each regional office of the Department of Labor and at the headquarters' office of each State employment security agency.